GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2617
ANSWERED ON:31.08.2007
LIC POLICIES
Mollah Shri Hannan

Will the Minister of FINANCE be pleased to state:

(a) whether any irregularity has come to the notice of the Government in regard to single Premium Bima Plus and Future Plus Policies;

(b) if so, whether the atove policies were surrendered and reinvested twice/thrice within the same financial year;

(c) if so, the details thereof; and

(d) the action taken by lhe Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

a) The Life Insurance Corporation of India (LIC) has informed that no irregularity has come to its notice with regard to single premium Bima Plus and Future Plus Policies.

(b),(c) & (d) LIC has teported that Bima Plus and Future Plus Plans provide for surrender clause wherein the policyholder can sunender the policy subject to certain penalty ranging from 1% to 4% depending on the duration of the policy. However, there is no restrictive clause restraining the policyholder from surrendering the policy, either to avail funds for own use or reinvestment. LIC has, however, withdrawn Bima Plus and Future Plus policies with effect from 16th October, 2005 and 30th June, 2006, respectively.